

# VIRGINIA TELECOMMUNICATION INITIATIVE

Update to Senate Finance Committee May 21, 2019



# **VATI Program Description**

- Provide financial assistance to supplement construction costs by private sector providers to extend services to areas that are presently unserved by any broadband provider
- "Unserved" is defined as having access to broadband speeds of 10Mbps per second download/1Mbps per second upload or less



### Virginia Telecommunication Initiative

### Over the last 3 years (\$6 million):

- 61 applications received; \$16.8 million in requests
- 20 projects awarded
- Connecting 16,623 Virginia residents, businesses and community anchors will have access to broadband
- Implementation speeds range from 10Mbps/3Mbps to 2Gb



# Virginia Telecommunication Initiative

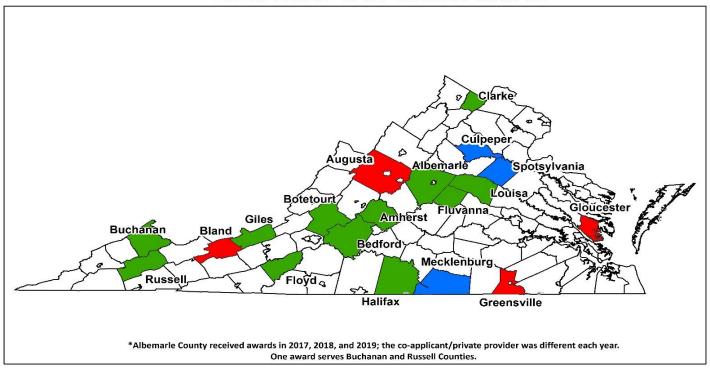
2017 VATI	
Locality/Co-applicant	Award
AlbemarleCounty/Century Link	\$118,400
Augusta County/Lingo	\$278,880
Bland County/WVVA.net	\$192,141
Gloucester county/Cox	\$193,094
Greensville County/Telpage	\$162,334
Total	\$944,849

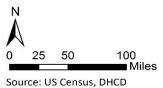
2018 VATI	
Locality/Co-applicant	Award
Albemarle County/Comcast	\$473,366
Mecklenburg County/Buggs Island Telco	\$217,173
Spotsylvania County/Comcast	\$167,260
Total	\$857,799

2019 VATI	
Locality/Co-applicant	Award
Albemarle County Broadband Authority/CVEC	\$301,748
Amherst County/SCS Broadband	\$127,073
Bedford County/Blue Ridge	\$1,040,000
Botetourt County/CBEC	\$758,998
Clarke County/Comcast	\$209,513
Floyd County/Citizens	\$348,018
Giles County/Gigabeam	\$589,444
Halifax County/SCS Broadband	\$231,108
Louisa County/SCS Broadband	\$233,905
IDA of Russell County/iGo	\$455,581
Fluvanna County/CVEC (Letter of Intent)	\$641,967
Total	\$4,937,355



### 2018-2019 VATI Grant Awards











# **VATI Applications for 2019**

- 31 applications received requesting \$10.3 million in funding from 25 localities partnering with 17 different internet service providers; applications leveraged \$13.2 million in private and local spending
- **\$4.9 million** awarded, leveraging over **\$9 million** in private and local match to 11 projects
- Connecting <u>14,923</u> Virginia residents, businesses, and community anchors



### **2019 Challenge Process**

- Formal challenge process
- 14 total challenges
  - 10 projects challenged
- 3 challenges ruled valid
- Challenges deemed invalid
  - Did not meet requirements
    - Affidavit
    - FCC form 477
    - More than 10% of customers receiving service



### **2020 VATI**

- \$19 million in funding for FY 2020
- Focused on unserved areas
- Cost-effective given the proposed technology and proposed speeds
- Challenge Process
- Additional Staff



# FY20 VATI Timelin

4/19

- DHCD Staff begin revising VATI program criteria and guidelines incorporating lessons learned and new legislative requirements
- DHCD releases draft copy of 2020 guidelines (May 9, 2019)
- DHCD convenes Stakeholder meetings (May 17, 2019 and May 28, 2019)
- DHCD Chief Deputy presents at Quarterly Broadband Advisory Council (BAC) meeting
- Deadline for submitting Public Comment (June 10, 2019)
- DHCD incorporates feedback from Stakeholder meetings, and public comment period into VATI program criteria and guidelines
- DHCD conducts How to Apply Workshop in Richmond and a Webinar (June 19, 2020)
- DHCD releases the Request for Proposals (RFP) (June 24, 2020)

9/19

- Application Deadline (September 3, 2019)
- DHCD reviews and score applications

10/19

- DHCD review and score applications
- Deadline for Challenge Process (October 9, 2019)

11/19

• Deadline for response to Challenges (November 11, 2019)

12/19

- Governor's Award Announcement (Tentative)
- DHCD conducts contract negotiations and awards contracts (Tentative)

12/20

Closeout of 2020 projects (1 year from signed agreement)





### Planning Efforts

- Providers to partner with localities/regions to engineer universal broadband coverage across a locality/region.
- Broadband team will provide guidance documents and technical support.
- Avoids "cherry picking" exercise.
- VATI projects will become larger as countywide plans become ubiquitous.

### Legislation

### HB 2691

- Utility leverage program which will allow
   Dominion and Appalachian Power to build and lease excess fiber to internet service providers (ISPs) during their grid modernization.
- Adding more middle-mile fiber throughout the state will increase competition and drastically improve economics for ISPs.

### HB 2141

- Legislation allows localities and sub-localities to become special service districts for the purposes of broadband.
- Allows especially neighborhoods and communities to "self-help" or raise their own taxes to finance broadband infrastructure.





Coalition of more than 80 organizations dedicated to bridging Virginia's digital divide, including:



























